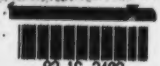

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

B 92-2269

FORM 10-Q

Mark one
(X)

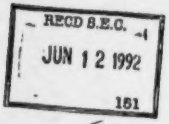
Q-30171

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarter Ended April 30, 1992

or

Transition Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934



Commission File Number 33-23460-LA

AQUASEARCH, INC.
Exact Name of Registrant as Specified in its Charter

Colorado	33-0034535
State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number

4350 Executive Drive, Suite 350 San Diego, California	92128
Address of Principal Executive Offices	Zip Code

(619) 458-0011
Registrant's Telephone Number,
Including Area Code

Not Applicable
Former Name, Former Address and Former Fiscal
Year, if Changes Since Last Report

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ____

The number of shares outstanding of Registrant's common stock, $0.0001 par value at April 30, 1992 was 17,038,162 shares.

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AQUASEARCH, INC.

April 30, 1992 (Unaudited)

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Item 1. Financial Statements

ACCOUNTANTS' REPORT

To The Board of Directors
of Aquasearch, Inc.
San Diego, California

The accompanying balance sheet of Aquasearch, Inc. as of April 30, 1992, and the related statements of loss and accumulated deficit and cash flows for the six months ended April 30, 1992 and 1991 were not audited by us; therefore, we do not express an opinion on them.

Aurora, Colorado
June 9, 1992

Holscher & Company

Aquasearch, Inc.
BALANCE SHEETS

ASSETS	April 30 1992 (Unaudited)	October 31, 1991 (audited)
CURRENT ASSETS		
Cash	$ 17,226	$ 20,741
Prepaid expenses	1,517	1,518
Total current assets	18,743	22,259
OFFICE EQUIPMENT - AT COST	-	-
Less accumulated depreciation	-	-
Net office equipment	-	-
OTHER ASSETS		
Organization costs (net)	-	-
Total assets	$ 18,743	$ 22,259
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable - related parties	$ 29,000	$ 29,000
Accounts payable	50,199	10,077
Accounts payable - related parties	-	-
Payroll taxes payable	492	1,867
Accrued payroll	600	3,549
Accrued interest	1,865	417
Deposits payable	-	-
Total current liabilities	82,156	44,910
STOCKHOLDERS' EQUITY		
Common stock, $0.0001 par value, 50,000,000 shares authorized; 17,004,162 shares issued and outstanding October 31, 1991, 17,038,162 issued and outstanding January 31, 1992	3,324	3,321
Additional paid-in capital	676,195	674,585
Accumulated deficit	(742,932)	(700,557)
Total stockholders' equity (deficit)	(63,413)	(22,651)
Total liabilities and stockholders' equity	$ 18,743	$ 22,259

Aquasearch, Inc.
STATEMENTS OF LOSS AND ACCUMULATED DEFICIT

	For the three months ended April 30, 1992 (unaudited)	For the six months ended April 30, 1992 (unaudited)	For the three months ended April 30, 1991 (Unaudited)	For the six months ended April 30, 1991 (Unaudited)
Revenues	$ -	$ -	$ -	$ -
Prototype expenses				
Materials	302	1,429	11,629	14,999
Labor	-	8,117	21,180	40,467
Equipment rental	-	594	-	28,227
Travel	-	468	-	-
Miscellaneous	14	1,241	1,722	2,728
Total prototype expenses	316	11,849	34,531	86,421
Gross profit (loss)	(316)	(11,849)	(34,531)	(86,421)
Other expenses (income)				
Interest income		-	(1,467)	(4,241)
Advertising		-	656	656
Rent		1,120	3,393	4,723
Office expense	145	638	1,513	2,160
Officers salaries		-	6,600	13,200
Dues and subscriptions		-	-	815
Amortization		-	100	200
Consultants	1,500	2,105	-	-
Consultants - related parties		-	4,400	9,600
Depreciation		-	450	793
Interest expense	725	1,450		
Legal & accounting	16,100	21,651	8,832	16,146
Taxes		800	-	668
Workers compensation		208	1,531	3,187
Travel		-	-	-
Payroll taxes	337	2,122	2,129	4,400
Stock transfer fees	39	432	1,147	2,529
Miscellaneous		-	103	120
Total other expenses	18,866	30,526	29,387	54,956
Net loss	(19,182)	(42,375)	(63,918)	(141,377)
Accumulated deficit:				
Balance, beginning of period	(723,750)	(700,557)	(526,615)	(449,156)
Balance, end of year	$ (742,932)	$ (742,932)	$ (590,533)	$ (590,533)
Loss per share	$ (Nil)	$ (Nil)	$ (Nil)	$ (0.01)
Weighted average shares outstand	17,038,162	17,038,162	16,589,162	16,589,162

The accompanying notes are an integral part of the financial statements. Page 3

Aquasearch, Inc.
STATEMENTS OF CASH FLOWS

	For the six months ended April 30, 1992 (Unaudited)	For the six months ended April 30, 1991 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (42,375)	$ (141,377)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization	-	200
Depreciation	-	793
Expenses paid with common stock	1,614	500
Changes in current liabilities	37,246	(588)
Cash used by operating activities	(3,515)	(140,472)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(2,341)
Cash used by investing activities	-	(2,341)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common stock	-	-
Increase in notes payable	-	-
Offering costs	-	-
Cash provided by financing activities	-	-
Net increase in cash	(3,515)	(142,813)
Cash - beginning of period	20,741	218,899
Cash - end of period	$ 17,226	$ 76,086
Supplemental disclosure of cash flow information		
Cash paid during the period for:		
Interest	$ -	$ -
Income taxes	$ 800	$ -

Aquasearch, Inc.
NOTES TO FINANCIAL STATEMENTS
January 31, 1992 (Unaudited)

1. Exercise of common stock purchase warrants
As of April 30, 1992, there were 3,348,000 Class B warrants issued and outstanding. No Class B warrants were exercised during the three months ended April 30, 1992. The Class B warrants are exercisable at $1 per share. The exercise period for the Class B warrants will expire on March 15, 1992 unless extended by the Board of Directors.

2. Management's representations of interim financial information
These financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results of operations for the interim period presented. These adjustments are of a normal and recurring nature.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Capital resources: As shown in the financial statements, the Company's capital resources have been exhausted. In order to continue in operation, the Company is pursuing a variety of potential sources of funds for continued operation, encompassing U.S. government grants and contracts, and joint venture opportunities in the private sector.

Results of operations: To date, the Company's operations have focused on the construction of prototype units for the growth of algal products and refinements to these prototype units. The Company has not made any sales either in the units themselves or in the products. The Company's $42,400 net loss for the quarter ended April 30, 1992 reflects a decrease of approximately $20,000 over the quarter ended April 30, 1991. This decrease is due primarily to the Company's lack of funds. Prototype spending decreased by approximately $34,000 over the previous year's quarter ended April 30, 1991. Other general and administrative expenses for the quarter ended April 30, 1992 decreased $10,000 from the amount spent in the quarter ended April 30, 1991.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities.

None.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports of Form 8-K.

a) Exhibits. None.

b) Reports on Form 8-K. None.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

AQUASEARCH, INC.

Dated: 1/11/92

By: _____
Tana Alcalay, Secretary